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TO: Gerard Grant-Phillips, Director
Human Rights Department

FROM: Irvin Corley, Jr., Fiscal Analysis Director

DATE: May 3, 2007

RE: 2007-2008 Budget Analysis

24.

Attached is our budget analysis regarding your department's budget for the upcoming 2007-2008 Fiscal Year.

Please be prepared to respond to the issues/questions raised in our analysis during your scheduled hearing. We would then appreciate a written response to the issues/questions at your earliest convenience subsequent to your budget hearing. Please forward a copy of your responses to the Councilmembers and the City Clerk's Office.

Please contact us if you have any questions regarding our budget analysis.

Thank you for your cooperation in this matter.

IC:ss

Attachment

cc: Councilmembers
Council Divisions
Auditor General's Office
Roger Short, Finance Department Director
Pamela Scales, Budget Department Director
Ron Chenault, Budget Department Team Leader
Kandia Milton, Mayor's Office

Human Rights Department (29)

FY 2007-2008 Budget Analysis by the Fiscal Analysis Division

Summary

The Human Rights Department is a General Fund Agency. The recommended 2007-2008 budgeted appropriations total \$1,678,927, which represents a \$804,898 increase over the current fiscal year budget. The recommended 2007-2008 budgeted revenues total \$1,353,000, which represents a \$1,353,000 increase over the current fiscal year's budget of zero. The Department's net tax cost to the City is \$325,927, which is a reduction of \$548,102 from the current fiscal year.

The Mayor recommends an increase of ten positions in the proposed 2007-2008 budget.

2006-2007 Surplus/(Deficit)

There is an estimated \$51,115 deficit for the 2006-2007 fiscal year, due to the paying of salaries and employee benefits higher than budgeted. The higher salaries are due to employee merit increases.

Overtime

There is no overtime budgeted for Human Rights in the Mayor's 2007-2008 proposed budget. The department did not incur any overtime as of March 31, 2007.

Personnel and Turnover Savings

There is a net increase of ten positions in the proposed 2007-2008 budget. The Human Rights Department did not have any employee turnover savings.

<u>Appropriation/Program</u>	<u>Budgeted Positions FY 2006-07</u>	<u>Filled Positions 3/31/2007</u>	<u>Mayor's Budget Positions FY 2007-08</u>	<u>Over/(Under) Actual to 06/07 Budget</u>	<u>Mayor's Recommended Turnover</u>
Human Rights (29):					
00250 Protection of Human Rights	7	5	17	(2)	\$ -
00879 Contract Compliance	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>\$ -</u>
TOTAL	<u>7</u>	<u>5</u>	<u>17</u>	<u>(2)</u>	<u><u>\$ -</u></u>

Proposed Layoffs and Vacant Position Reductions

There are no layoffs for the Human Rights Department. Two positions are being eliminated and twelve positions are being added, to augment the enforcement of

Executive Order 22, regulations on city-wide tax abatement requirements, and income tax withholding requirements.

Significant Funding by Appropriation

Appro. Program

00250	Protection of Human Rights	This General Fund appropriation is budgeted at \$1,678,927 in the Mayor's 2007-2008 Proposed Budget, which is an increase of \$804,898 from the amount budgeted in fiscal year 2006-2007. This increase is primarily due to a \$424,113 increase in Salaries and Wages, a \$252,619 increase in Employee Benefits, primarily due to the addition of ten positions, a \$98,920 increase in Professional and Contractual Services.
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Human Rights (29)

<u>Budgeted Professional and Contractual Services by Activity</u>	<u>FY 2006-07 Budget</u>	<u>FY 2007-08 Recommended</u>	<u>Increase (Decrease)</u>
Administration	\$ 1,080	\$ 100,000	\$ 98,920
Total	\$ 1,080	\$ 100,000	\$ 98,920

Significant Funding by Revenue

Appro. Program

00250	Protection of Human Rights	This General Fund appropriation is budgeted at \$1,353,000 in the Mayor's 2007-2008 Proposed Budget, which is a new revenue source. This revenue is due to the fees generated by the new business certification program.
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Issues and Questions

1. Will the passage of Proposal 2 eliminate the Minority Owned and Women Owned business certifications?
2. Will businesses that are currently doing business with the City of Detroit be subject to the newly instituted certification fees?
3. On 29-5, the Mayor is recommending \$100,000 for Professional and Contractual Services while the Department requested nothing. What services are the funds to be used for?
4. How much implementation time is needed to have the new certification program in place and working? Please describe the fee structure and basis for this new revenue source.